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SUBJECT: Jordanian Business Associations Revive Tijara Coalition to
Promote U.S.-Jordan Trade

Ref: Amman 2654

¶1. Summary: The Tijara coalition of 16 Jordanian business associations has begun to implement a new one-year strategy to promote U.S.-Jordan trade through policy forums and trade capacity-building workshops funded by USAID. In a September 17 policy forum with the Ambassador and Government of Jordan (GOJ) representatives, Tijara members highlighted challenges to two-way trade, including the need for assistance with market research and distribution in the U.S., designation of satellite garment factories as Qualifying Industrial Zones (QIZs), access to finance, amendments to the labor law, accession to the WTO Government Procurement Agreement, technology transfer, and diversification of exports. End Summary.

More Focused Tijara Mission

¶2. Established in 2001, "Tijara" is a coalition of key Jordanian business associations and government agencies dedicated to promoting bilateral trade and the U.S.-Jordan Free Trade Agreement (FTA). The group's effectiveness had suffered from an ambitious mission, lack of resources, and too many members with different interests. After its 2004-2007 strategy ended, members decided to revamp Tijara to narrow participation and give it a more focused agenda.

¶3. Over the next year, Tijara plans to hold three to four policy dialogue sessions between the public and private sectors to raise trade issues, such as transport and shipping, access to export finance, and Jordan customs procedures. Members will also organize three to four USAID-funded, practical workshops to enhance the capabilities of exporters to enter the U.S. market, such as how to conduct market intelligence research and how to comply with U.S. food safety regulations.

Identifying Challenges to Bilateral Trade

¶4. The Ambassador helped launch the revived Tijara through a September 17 policy forum on challenges to increasing two-way trade, noting that input from the private sector would be useful for the upcoming FTA Joint Committee meeting. Although total bilateral trade has continued to grow largely due to an increase in U.S. imports, the Ambassador reaffirmed that the goal was to see figures on both sides of the trade ledger increase (reftel). The drop in Jordanian exports to the U.S. during the first half of 2008, he added, highlighted the need for diversification of exports. He also welcomed ideas for maximizing use of the FTA, and urged the GOJ to conclude negotiations on joining the WTO Government Procurement

Agreement.

¶5. In addition to GOJ officials, participants included senior management from: the American Chamber of Commerce in Jordan; Jordanian Chamber of Industry; Jordanian Chamber of Commerce; USAID-supported Business Development Center; Jordan Exporters' Association; Information Technology Association of Jordan (Int@j); Jordan Association of Pharmaceutical Manufacturers; Jordan Exporters and Producers of Fruits and Vegetables; Jordan Garments, Accessories and Textiles Exporters' Association (JGATE); Jordan Stone and Tile Exporters Association; Jewelers' Syndicate; Furniture Association; Jordan Businessmen Association; Business and Professional Women Amman; and Jordan Forum for Business and Professional Women.

¶6. Tijara members raised the following issues:

- Need for Jordanian companies to better market goods in the U.S. and become more aware of distribution channels.
 - Importance of designating satellite factories as QIZs to increase the local labor force in the garment industry and help overcome high transportation costs.
 - Need by the GOJ to upgrade labor laws and correct any isolated incidents of labor violations.
 - Need for Jordan to join the WTO Government Procurement Agreement.
- Dr. Loay Sehwal, Director of the Industrial Development Department at the Ministry of Industry and Trade, responded that the Jordanian government was still in the process of internal consultation on this issue.
- Desire to reinstate assistance programs to import commodities such as machinery from the U.S.
 - Request to facilitate financing, particularly for small and medium enterprises, perhaps through the U.S. Export-Import Bank, and

to better inform private sector of such opportunities.

- Need to diversify exports, noting promising sectors such as pharmaceuticals and medical supplies.
- Importance of identifying niche markets. The Furniture Association noted that Jordan cannot compete with China in traditional furniture exports, but it might have a competitive edge in exporting components of furniture, particularly due to Jordan's flexibility and customization skills.
- Need for assistance with technology transfer, particularly given the high IPR standards that have been followed in the pharmaceutical sector.
- Desire for technical assistance to comply with the U.S. Food and Drug Administration regulations, especially for pharmaceuticals.
- Request for assistance in customizing jewelry designs.
- Urgent need for USDA to conclude Pest Risk Analysis for Jordan's fruits and vegetables, starting with strawberries and green beans.

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